October 13 2010

Manitoba Economic Highlights

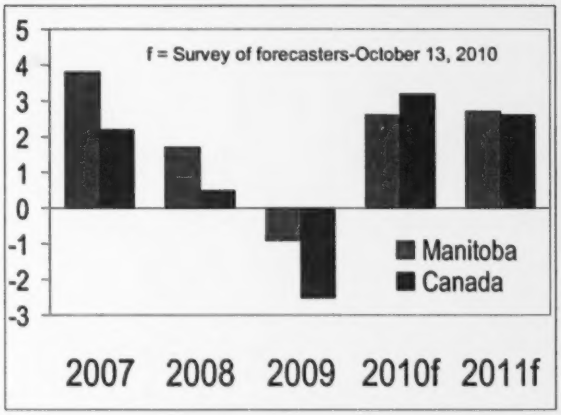
Economic Overview

Real Gross Domestic Product

- In March, the Manitoba Bureau of Statistics estimated that Manitoba's real GDP contracted by 0.9% in 2009. Statistics Canada estimates that the Canadian economic shrank by 2.5%.
- In 2010, the Manitoba economy is forecast to grow 2.6% below Canada's 3.2% growth and 2.7% in 2011 above the 2.6% national growth rate.
- Statistics Canada estimated that Manitoba real GDP at basic prices by industry declined 0.2% in 2009 the second best performance among the provinces. Canada is estimated to have declined by 2.5%

- Manitoba real GDP economic performance exceeded Canadian performance for 4 consecutive years from 2006 to 2009.
- Manitoba's population increased by 15,850 in the year ending July 1, 2010, the best performance since at least 1972.
- Manitoba outperformed the national economy in virtually all of the major economic indicators in 2009.
- In 2010, Manitoba has the second lowest unemployment and youth unemployment rate.
- In 2009, there were only 65 business bankruptcies in Manitoba, the lowest level since 1977.

Real GDP (% Change)



Consumer Price Index

- In the first eight months, the Manitoba CPI increased 0.7% compared to the 1.6% Canadian increase. The shelter, clothing and food components of the Manitoba CPI are all lower on a year-to-date basis.
- In 2009, the Manitoba CPI increased 0.6% compared to the 0.3% national increase.
- Food (5.3%) had the largest increase while energy declined 11.4% in 2009

Labour Market

Employment

- In the first nine months of 2010, Manitoba's employment increased by 11,000 or 1.8% above the national increase of 1.5%.
- In 2009 Manitoba's employment increased by 200 compared to a national decrease of 276,900. Manitoba was one of only three provinces to post an increase in employment last year.

Employment (% Change)

	2009	2010ytd
Manitoba		
Total Employment	0.0	1.8
Full-Time	0.1	0.8
Part-Time	(0.1)	6.1
Canada		
Total Employment	(1.6)	1.5

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the first nine months of 2010, Manitoba's unemployment rate was 5.4%, second lowest behind Saskatchewan. The youth unemployment rate was 11.2%, also second lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2.0 to 2.5 percentage points below Canada. In 2009, this spread increased to 3.1 points.
- From 1998 to 2009, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate five times.

Average Weekly Earnings

- In the first seven months of 2010, average weekly earnings in Manitoba were up 1.8% below Canada's increase of 3.1%.
- In 2009, average weekly earnings in Manitoba were up 2.8%, above Canada's increase of 1.6% and fourth highest among provinces.

Population

- As of July 1, 2010, Manitoba's population stood at 1,235,412, a one-year increase of 15,850 persons. This 1.3% increase was fourth best among provinces.
- The official population for a year is based on July 1st which for Manitoba in 2010 was 1,235,412, an increase of 1.3%
- The most significant factor driving Manitoba's population growth is the Provincial Nominee Program. Since it began immigrants entering Manitoba under PNP has steadily increased.

Net Migration

- In the year ending July 1, 2010, 10,303 more people moved to Manitoba than left.
- During the same period, net international in-migration totaled 12,483, more than the net inter-provincial out-migration of 2,182.

Economic Activity

Manufacturing Sales

- In the first seven months of 2010, Manitoba manufacturing sales declined 6.7% compared to a 9.5% national increase.
- In the first seven months of 2010, four Manitoba industries increased. Other non-durables, non-metallic minerals, primary metals and petroleum lead the growth industries while 10 industries have declined.
- In 2009, Manitoba manufacturing sales decreased 10.7% to $14.6 billion. Canadian sales declined 17.7%. Manitoba's performance bettered the national average for the ninth consecutive year.
- In 2009, three Manitoba industries increased sales led by electrical appliances (14.4%) and machinery (0.6%) while twelve industries declined with primary metals, wood, printing and paper industries leading the losses.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2009	2010ytd
Oth. non-durables	(7.5)	16.8
Non-metallic min.	(13.9)	13.9
Primary metals	(29.7)	13.2
Petroleum & Coal	0.4	9.7

Farm Cash Receipts

- **NOTE: Statistics Canada will not be releasing second quarter data until November.**
- In the first quarter of 2010, Manitoba cash receipts declined 4.4% to $1.4 billion.
- Crop receipts decreased 6.9% due to declines in specialty and forage, vegetables and oilseeds. Wheat receipts rose 9.1%. Livestock receipts were down 8.8% on weakness in cattle and hog receipts. Direct payments increased 55.5%.
- Manitoba cash receipts decreased 0.5% in 2009 to $4.8 billion. Manitoba's decline of

Note: Changes are calculated relative to the corresponding period in the previous year.

0.5% was the third best performance among provinces.

- Crop receipts were up 1.1% with weakness in grains and specialty and forage receipts offset by gains in oilseeds and vegetables. Livestock receipts declined 4.8% with weakness in cattle offsetting gains in hog receipts. Direct payments are estimated to have risen 7.2%.

Farm Cash Receipts (% Change)	2009	2010ytd
Canola	5.3	(15.3)
Wheat	(4.9)	9.1
Hogs	1.7	(4.3)
Cattle	(18.1)	(23.0)

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2009 only 16.9%. In 2009, the largest receipts source was canola (24.7%) followed by wheat, hogs (15.0%) and cattle (8.9%).

Retail Sales

- In the first seven months 2010, Manitoba retail sales increased 6.3%, above the Canadian increase of 5.8%. Manitoba sales rose on the strength of motor vehicles (14.4%), home furnishings (12.1%), personal care (11.1%) and gasoline (10.9%).
- In 2009, Manitoba retail sales declined 0.4% better than the 2.9% decline in Canada. The decline in 2009 retail sales was led by gasoline (-11.3%) and motor vehicle (-5.2%) sales. Recreation and music (11.4%), health and personal care (8.0%) and general stores (5.4%) have the largest increases.

Investment

- Statistics Canada's Private and Public Investment Survey from February 2010 shows that Manitoba's 2009 capital investment increased 4.0%, second highest among provinces. Manitoba was one of only four provinces to have an increase in investment in 2009. Investment in Canada declined 11.4%.
- The Survey shows that Manitoba's private investment decreased 8.7% less than half the national decline of 17.6%. In 2009, private capital investment accounted for approximately 63% of capital investment in Manitoba.
- Manitoba's public investment increased 36.1%, second highest among the provinces and significantly above the 13.4% increase in Canada.
- A number of major investment projects were underway in 2009, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam, the Keystone Pipeline and a new airport facility.
- In 2010, capital investment is projected to decrease 1.1% below the Canadian increase of 4.4%. Manitoba's private investment is projected to decrease 7.8% and public investment to increase 10.3%.

Housing Starts

- In the two quarters of 2010, Manitoba starts increased 49.4%, below the national increase of 51.6%. Single starts rose 42.5% while multiples increased 71.3% to 709.
- In 2009, Manitoba housing starts declined to 4,174 units, a 24.6% decrease and better than the 29.4% national decline. Single starts are down 17.6% while multiples declined 38.7%.
- The 4,174 housing starts in Manitoba in 2009 is the lowest level since 2003 but is still better than any other year since 1988.
- In the first nine months of 2010, Manitoba urban housing starts increased 46.1% while Canadian starts were up 38.2%. Manitoba single starts rose 31.8% while multiples increased 70.4% to 1,317.

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2007	14.1	0.4
2008	(3.5)	(7.6)
2009	(24.6)	(29.4)
2010ytd	49.4	51.6

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In the first eight months of 2010, the value of Manitoba building permits increased 13.0%. Permits in Canada were up 28.6%.
- The value of Manitoba residential permits increased by 32.7% while non-residential permits declined 14.4%. The non-residential decline is led by institutional and government construction.
- The value of permits in Winnipeg rose 25.8% while outside of Winnipeg they decreased 3.5%.
- In 2009, the value of building permits in Manitoba decreased 4.6%. Non-residential permits were up 16.1% while residential permits decreased 14.7%. Canada permits were down 13.3%.

Bankruptcies

- In the first eight months of 2010, business bankruptcies were down 2.2% to 45 in Manitoba and declined 25.3% in Canada.
- In the first eight months of 2010, consumer bankruptcies decreased 20.4% Manitoba and 21.0% Canada.
- In 2009, business bankruptcies decreased 36.9% to 65 in Manitoba, and declined 12.1% in Canada. The 65 Manitoba bankruptcies were the fewest since 1977.
- Consumer bankruptcies increased 20.6% in Manitoba below the 28.4% increase in Canada.

Foreign Merchandise Exports

- In the first seven months of 2010, Manitoba exports decreased 11.1%, while Canadian exports were up 10.4%.
- In the first seven months of 2010, Manitoba's U.S. exports decreased 12.4% while non-U.S. exports were down 8.3%.
- In 2009, Manitoba exports decreased 18.2%, while Canadian exports were down 26.5%. Manitoba's U.S. exports decreased 19.6% while non-U.S. exports were down 15.2%.

Foreign Merchandise Exports (% Change)	2009	2010ytd
All Countries	(18.2)	(11.1)
U.S.	(19.6)	(12.4)
Non-U.S.	(15.2)	(8.3)

Hydro-Electricity Sales

- In the first eight months of 2010, the value of hydro sales increased with a 1.6% decline in domestic sales being offset by a 6.7% increase in export sales.
- In 2009, the value of Manitoba electricity sales declined. Domestic sales increased while exports were down.
- Approximately 80% of export sales are to the United States with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US; consequentially the decline was substantially influenced by the rising Canadian dollar.

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Please click on **economic statistics** to view the data underlying this report.

Note: The 2010 Economic Review and Outlook is available at:

www.gov.mb.ca/finance/budget10/papers/economy.pdf

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — October 13, 2010

	2005	2006	2007	2008	2009	2010 (ytd)		
			($ Millions)					
Gross Domestic Product								
Nominal	41,512	44,957	48,727	50,324	50,200	52,660	a	(annual)
Real (2002=100)	38,603	39,880	41,394	42,079	41,685	42,769	a	(annual)
Investment								
Total	6,836	7,837	8,903	10,008	10,410	10,297	b	(annual)
Private	5,091	5,811	6,267	7,166	6,542	6,032	b	(annual)
Public	1,745	2,027	2,635	2,842	3,867	4,266	b	(annual)
Non-residential	5,201	6,042	6,803	7,698	8,080	7,962	b	(annual)
Housing	1,635	1,796	2,099	2,310	2,330	2,335	b	(annual)
Sectors								
Farm Cash Receipts	3,801	3,677	4,339	4,789	4,763	1,375		(Mar)
Crops	1,293	1,271	2,199	2,758	2,787	855		(Mar)
Livestock	1,809	1,780	1,727	1,681	1,600	411		(Mar)
Direct Payments	699	626	413	350	376	109		(Mar)
Manufacturing	13,688	14,862	16,185	16,376	14,622	8,212		(July)
Mineral Production	1,576	2,616	3,070	2,528	1,943			(annual)
Electric Power Sales	1,797	1,697	1,667	1,737	1,560	1,070		(Aug)
Housing Starts All Areas (Units)	4,731	5,028	5,738	5,537	4,174	2,561		(June)
Retail Trade	12,372	12,874	14,016	14,980	14,915	8,834		(July)
Foreign Merchandise Exports								
Total	9,301	10,195	12,196	12,973	10,609	5,814		(July)
US	6,973	7,671	8,348	8,906	7,159	3,846		(July)
Labour Market								
Labour Force (000s)	609.4	613.5	623.9	633.0	640.2	653.3		(Sept)
Employment (000s)	580.3	587.0	596.5	606.7	606.9	618.0		(Sept)
Participation Rate (%)	68.6	68.8	69.4	69.6	69.4	69.9		(Sept)
Unemployment Rate (%)	4.8	4.3	4.4	4.2	5.2	5.4		(Sept)
Youth Unemployment Rate (%)	9.7	8.8	9.0	9.0	10.2	11.2		(Sept)
Average Weekly Earnings ($)	671.11	690.55	731.21	750.84	771.55	781.29		(July)
Consumer Price Index								
(2002=100)	106.6	108.7	110.9	113.4	114.1	114.7		(Aug)
Population								
July 1st estimates (in thousands)	1,178.3	1,184.0	1,193.6	1,205.5	1,219.6	1,235.4		(July)

(ytd) - year to date

(a) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Survey of Economic Forecasters.

(b) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

Table 2: Economic Indicators — October 13, 2010

	2005	2006	2007	2008	2009	2010 (ytd)	
			(% Change)				
Gross Domestic Product							
Nominal	5.1	8.3	8.4	3.3	(0.2)	4.9 a	(annual)
Real (2002=100)	2.8	3.3	3.8	1.7	(0.9)	2.6 b	(annual)
Investment							
Total	2.0	14.6	13.6	12.4	4.0	(1.1) c	(annual)
Private	0.2	14.1	7.9	14.3	(8.7)	(7.8) c	(annual)
Public	7.9	16.2	30.0	7.8	36.1	10.3 c	(annual)
Non-residential	0.4	16.2	12.6	13.2	5.0	(1.5) c	(annual)
Housing	7.8	9.8	16.9	10.0	0.9	0.2 c	(annual)
Sectors							
Farm Cash Receipts	(1.5)	(3.3)	18.0	10.4	(0.5)	(4.4)	(Mar)
Crops	(28.6)	(1.7)	73.0	25.4	1.1	(6.9)	(Mar)
Livestock	12.0	(1.6)	(2.9)	(2.7)	(4.8)	(8.8)	(Mar)
Direct Payments	62.4	(10.4)	(34.1)	(15.1)	7.2	55.5	(Mar)
Manufacturing	3.2	8.6	8.9	1.2	(10.7)	(6.7)	(July)
Mineral Production	12.1	66.0	17.3	(17.7)	(23.2)		(annual)
Electric Power Sales	25.2	(5.5)	(1.8)	4.2	(10.2)	0.4	(Aug)
Housing Starts All Areas	6.6	6.3	14.1	(3.5)	(24.6)	49.4	(June)
Retail Trade	5.9	4.1	8.9	6.9	(0.4)	6.3	(July)
Foreign Merchandise Exports							
Total	0.0	9.6	19.6	6.4	(18.2)	(11.1)	(July)
USA	1.7	10.0	8.8	6.7	(19.6)	(12.4)	(July)
Labour Market							
Labour Force	0.1	0.7	1.7	1.5	1.1	2.1	(Sept)
Employment	0.6	1.2	1.6	1.7	0.0	1.8	(Sept)
Average Weekly Earnings	4.6	2.9	5.9	2.7	2.8	1.8	(July)
Consumer Price Index							
(2002=100)	2.7	2.0	2.0	2.3	0.6	0.7	(Aug)
Population							
July 1st estimates (in thousands)	0.4	0.5	0.8	1.0	1.2	1.3	(July)

(ytd) - year to date

(a) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Survey of Economic Forecasters.

(b) - Based on Statistics Canada's Survey of Public & Private Investment intentions.